

# A Pragmatic Strategic Planning Approach with SWOT, BSC, QFD

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# What is Strategy?

Greek Origin: *strategia* (the art of war)

It is the skill in managing or planning

It is the means of reaching the focal objective

It is the direction and scope of an organization over the long term. It matches resources to the changing environment, and in particular its markets, customers or clients so as to meet stakeholder expectations

Strategy is the determination of goals and objectives of an organization and the adoption of courses of action and the allocation of resources for carrying out these actions

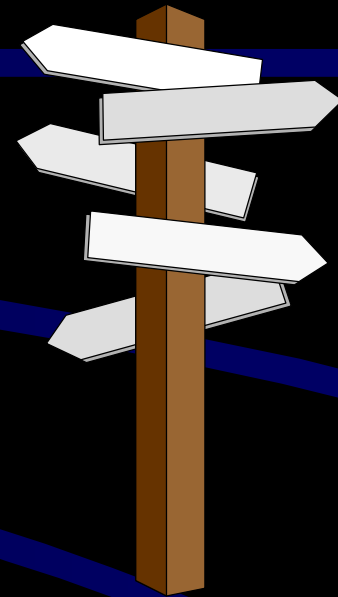
# What is Strategy? (cont.)

Strategy translates the corporate vision into a profile of what they want the organization to become. This profile is the target for all corporate decisions and plans

It is a concept that encompasses an active management process that includes such things as focusing an organization on winning, encouraging innovation and change, lengthening executive attention span, motivating employees to accomplish goals and objectives, and having a long-range perspective of the business

## Strategy is about knowing:

- where you are now,
- where you are going
- and how to get there.



Strategy implementation is about ensuring that you get there.

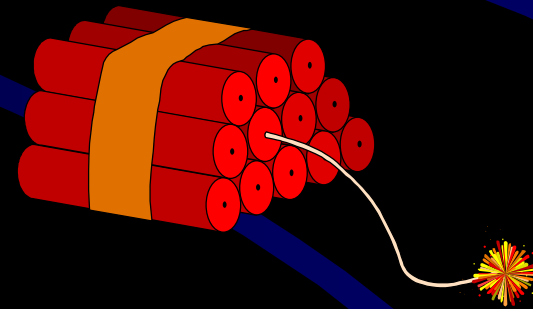
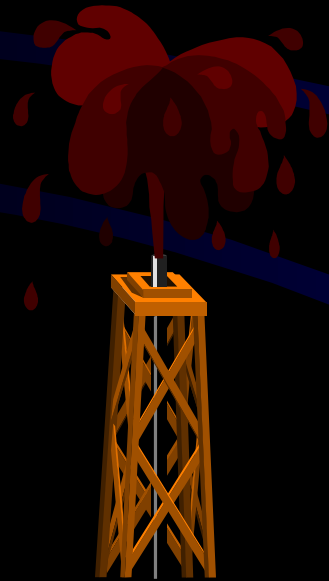
# Why do we need strategy

- **Long term sustainability and success of an organization**
- **Direction and focus for aligned efforts within an organization**
- **Development of understanding and commitment of all employees**

# Situational Analysis using SWOT

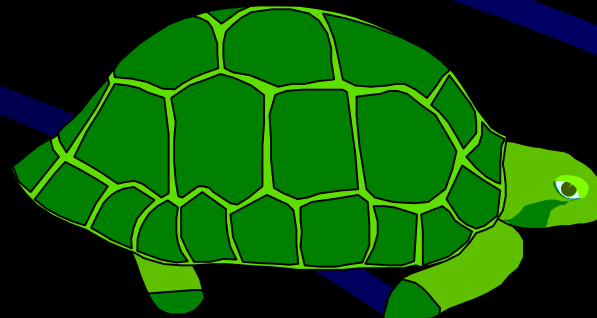
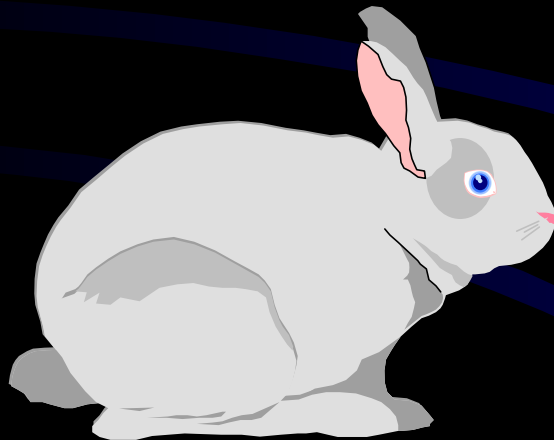
# External Factors:

- Favourable (Opportunities)
- Unfavourable (Threats)







# Internal Factors

- Favourable (Strengths)
- Unfavourable (Weaknesses)



# Steps for SWOT analysis:

- **Brainstorm the Internal Strengths / Weaknesses and the External Opportunities / Threats**
- **Screen and Number these items**
- **Matching and Pairing**
  -  **SO Maxi-Maxi**
  -  **WO Mini-Maxi**
  -  **ST Maxi-Mini**
  -  **WT Mini-Mini**
- **Prioritise these strategies/ tactics/ action plans**

# SWOT

Internal Strengths:

Internal Weaknesses:

External Opportunities:

MAXI-MAXI

MINI-MAXI

External Threats

MAXI-MINI

MINI-MINI

## Important notes:

- **In a turbulent and rapid changing environment, we need to constantly review our strategy**
- **A strength can become a weakness and vice versa**
- **Similarly an opportunity can become a threat and vice versa**
- **SWOT helps develop a set of key strategies and action plans**

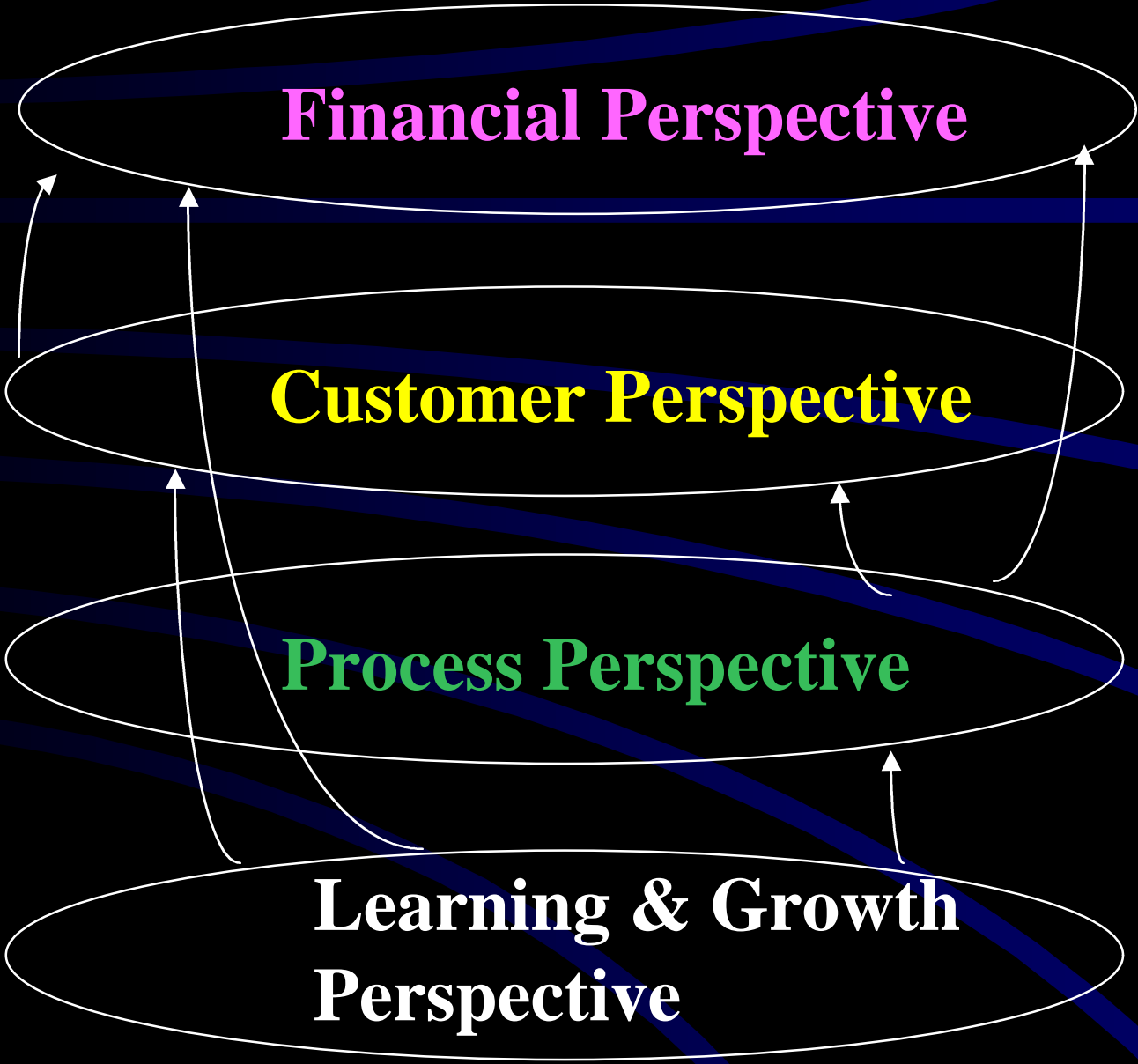
# Application of Balanced Scorecard

*What you measure is what  
you get*

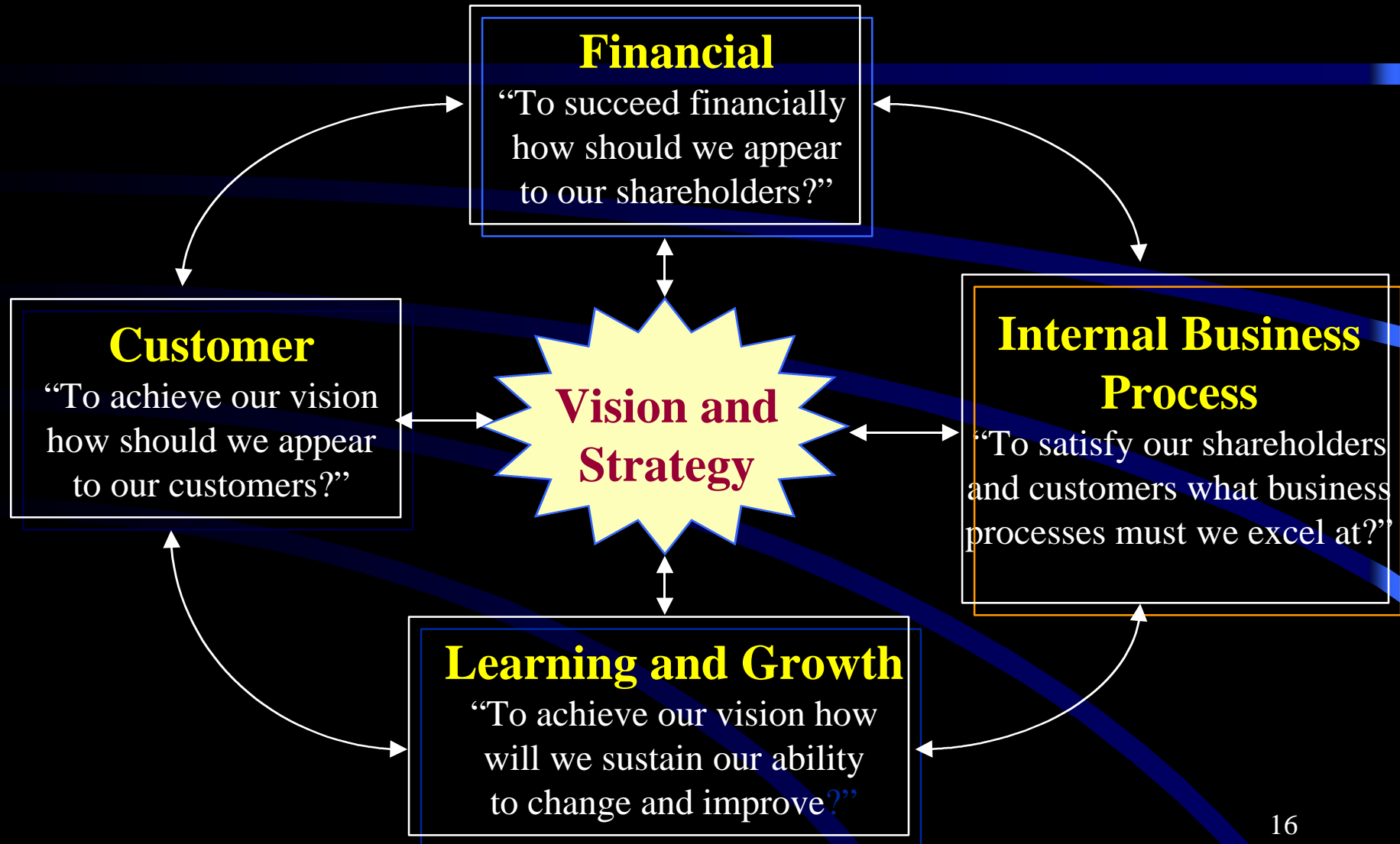
- ***If you cannot  
measure it, you  
cannot manage it.***

# *Inadequacy of Performance Measures*

- ❖ **Being historical**
- ❖ **Lagging important events & trends**
- ❖ **Showing dollar value but not causes**
- ❖ **Lagging details to allow meaningful responses**
- ❖ **Failing to monitor key performance areas**
- ❖ **Being too focused on internal company situation**
- ❖ **Being insufficiently customer / competitor oriented**



# Translate the Vision and Strategy



# *The Scorecard is a Balance between:*

➤ **External measure  
for shareholders  
& customers**

☎ **Internal measure for  
critical business  
processes, innovation, &  
learning**

➤ **Outcome  
measure on  
results from past  
efforts**

☎ **Measure to drive future  
performance**

➤ **Hard, Objective  
and quantified  
outcome  
measures**

☎ **Soft, Subjective and  
judgmental  
performance drivers**

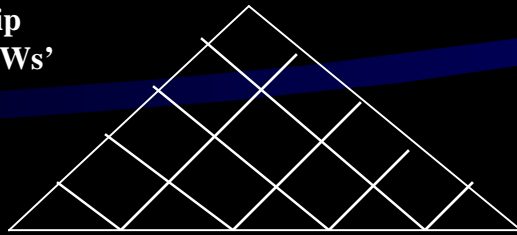
# Benefits of Balanced Scorecard (BSC)

- ❖ Being simple and flexible
- ❖ Clarifying & gaining consensus about strategy
- ❖ Communicating strategy throughout the Company
- ❖ Driving desirable behaviour in the workplace
- ❖ Establishing cause & effect relationship between outcomes & performance drivers
- ❖ Focusing on results as well as core processes
- ❖ Identifying & aligning strategic initiatives
- ❖ Measuring & motivating employees
- ❖ Obtaining feedback to improve strategy
- ❖ Providing timely information for decision making

The Key Success Factors  
identified from the SWOT  
analysis should be slotted into  
the four BSC perspectives  
levels

Quality Function  
Deployment  
(QFD)  
“House of Quality”

Interrelationship  
among the 'HOWs'



Customer;  
Process  
Learning

**HOW**

Financial

**WHAT**

Relationship  
between WHATs  
and HOWs

**Benchmarking**

**HOW MUCH**

# Building BSC on the House of Quality

- **Drivers-Integrated approach** - the Financial measures as the 'What' and the Customer, Process, and Learning measures as the 'How'
- The perceived interrelationships among the BSC drivers can be depicted vividly on the House of Quality

# Advantages of using QFD

- Subjective causal relationships can be developed - to the extent that they can be quantified
- Clarification of understanding and expectation among team members during the development of QFD
- No sophisticated and complex statistics is required
- Comprehensible by management practitioners

# Holistic Strategic Setting Model

- Integrating the SWOT, BSC and QFD helps provide a systematic and powerful method to develop realistic and relevant business strategies in today's rapid changing environment
- Strategies need regular review and feedback mechanism is vital in implementing the strategies
- The rationale of strategies needs to be communicated appropriately to all employees

Plan your work & Work your plan

If you are not measuring  
it you are not managing it

## **It is important to:**

- **Appreciate the importance of strategy formulation and implementation to the success of the organization**
- **Know the skills and techniques of diagnosing your business and scanning the external factors which have impacts on your business performance**
- **Prioritize different strategic options in response to the opportunities and threats affecting them**
- **Develop clear linkages among various actions and outcomes**
- **Translate strategies into specific actions for everyone to follow**
- **Adopt a holistic approach to review and manage business performance**
- **Develop the capability of continuous monitoring of strategic implementation**

Thank

You